

How Does It Work?

Cities may establish by resolution a BID and begin to fund activities for the district. The chief executive officer of the city shall determine the members of the BID board for the district to serve as an advisory board to the city. If the BID is located in more than one city, each city shall appoint a representative to the board. The remaining members of the BID will be nominees of businesses and property owners located within the district.

A city may establish a PSD and begin to fund activities for the district. The chief executive officer of the city may appoint a PSD management board for the district to serve as an advisory board to the city.

A city is empowered through its BID/PSD to:

- Open, widen, extend, realign, pave, maintain or otherwise improve roads and construct, reconstruct, maintain or relocate pedestrian walkways.
- Prohibit or regulate vehicular traffic or parking where necessary for a BID/PSD project.
- Acquire, own, maintain, demolish, develop, improve, or operate properties, off-street parking lots or structures.
- Contract or appoint agents for the operation or maintenance of city off-street parking lots or structures.
- Construct, maintain and operate malls with bus stops, information centers and other public interest buildings.
- Acquire by purchase, gift, or condemnation and own, maintain or operate real or personal property.
- Promote economic development in the district through conducting market research and public relations campaigns; developing, coordinating and conducting retail and institutional promotions; and sponsoring special events and related activities.
- Provide or contract the administration, maintenance, security and operation of the district.

The cost of projects within a BID or PSD may be financed by:

- Grants and gifts to the city or district.
- City funds.
- The issuance of general obligation bonds of the city.
- The issuance of revenue bonds by the city under the Revenue Bond Act of 1933 or under any other applicable revenue bond act. The issuance of the bonds shall be limited to the part or parts of the district project that are public improvements
- The levying of special assessments against land or interests in land or both.
- Any other source.

A BIZ is created by business owners within the established zone whereby they petition the city or village clerk to create the boundaries of the proposed zone. The BIZ is under no authority of the city or village.

The cost of projects within a BIZ may be financed by:

- Grants and gifts to the city or district.
- The issuance of general obligation bonds of the city.
- The levying of special assessments against land or interests in land or both.

The cost of projects within a BIZ would include specifically:

- Grants and gifts to the city or district.
- The issuance of general obligation bonds of the city.
- The levying of special assessments against land or interests in land or both.
- Loans from financial institutions, which cannot extend past a 7-year period.

What Is the Process?

A city may establish the boundaries of a BID/PSD by resolution. The resolution must contain:

1. The geographic boundaries of the district.
2. The number of board members in the district.
3. The different classes of property owners in that district.
4. The class of business or property owners, if any, who are projected to pay more than 50% of the special assessment levied.

A BIZ is established by a petition delivered to the clerk of a city/village that consists of:

1. The signatures of property owners of parcels representing not less than 30% of the property owners within the designated zone area.
2. The boundaries of the zone area.
3. A listing, by tax parcel numbers within the zone area that separately identifies assessable property.
4. A plan for dissolution after 7 years.

A BID and/or PSD can work in cooperation with existing Downtown Development Authorities (DDA). One or more BIZ may be established in a city or village even if the entity has established a BID or PSD.